

ROBERT G. PRUITT, JR.  
OLIVER W. GUSHEE, JR.  
F. ALAN FLETCHER  
THOMAS W. BACHTELL  
A. JOHN DAVIS, III  
FREDERICK M. MACDONALD  
STEVEN PAUL ROWE

LAW OFFICES  
PRUITT, GUSHEE & FLETCHER  
SUITE 1850 BENEFICIAL LIFE TOWER  
SALT LAKE CITY, UTAH 84111  
(801) 531-8446

RECEIVED  
DEC 06 1989

TELESCOPIER (801) 531-8468

DIVISION OF  
OIL, GAS & MINING  
OF COUNSEL  
BRENT A. BOHMAN

December 4, 1989

Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Attention: Holland Shepherd,  
Reclamation Specialist/  
Permit Lead

RE: Nuclear Fuel Services,  
Inc./Frank M Mine

Dear Holland:

In response to your letter of November 14, 1989, enclosed is a Notice of Intent to Commence Small Mining Operations, Form MR-SMO, covering the Frank M Mine in Garfield County, Utah. Unfortunately, the preferred USGS 7.5 minute series map was unavailable. The enclosed 15 minute series map hopefully will be acceptable to you.

I was disappointed to learn that the Division interprets the statute as requiring Board approval of a reduction of the posted surety to \$148,000. Nonetheless, we will await Board approval at its January 25, 1990 meeting. Will you place the matter on the agenda or would you prefer that we make a formal request? In the interim, you are authorized to roll over the current \$187,256 Certificate of Deposit for an additional sixty (60) days, until February 2, 1990.

As I mentioned in our telephone conversation, NFS is considering a request for approval of a different form of surety. Once a decision is made in that regard, we will submit a new form of Reclamation Contract for the Tony M Mine. Hopefully that will be completed prior to January 4, 1990 in order that it, too, can be placed on the agenda for the January 25, 1990 Board Meeting.

Mr. Holland Shepherd  
December 4, 1989  
Page 2

If you have any questions, please feel free to call.

Yours truly,

A handwritten signature in blue ink, appearing to read "Alan Fletcher", written in a cursive style.

F. Alan Fletcher

FAF/lh  
1235.01

cc: Paul F. Schutt  
Dr. Douglas H. Underhill  
David W. Weaver